

COMMODORE INTERNATIONAL
AND ZILOG ANNOUNCE
DEFINITIVE AGREEMENT

New York, New York, January 5, 1983--

Mr. Irving Gould, Chairman of the Board of Commodore International Limited (NYSE:CBU) today announced that Commodore had signed a definitive agreement with Zilog, Inc., an affiliate of Exxon Corporation.

According to Mr. Gould, "the agreement relates to an exchange of technology between Commodore and Zilog, with Commodore licensed by Zilog to manufacture Zilog's Z8000 16-bit microprocessor and related family of peripheral support circuits for use in Commodore microcomputer systems, while Commodore will supply Zilog with mask sets and manufacturing rights to selected custom circuits used in current and future Commodore microcomputer systems."

Mr. Gould went on to note that "Commodore's financial business commitment to Zilog is significant and involves a similar commitment by Zilog that could utilize a substantial portion of Zilog's production facilities devoted to the manufacture of large scale integrated circuits for exclusive use in Commodore microcomputer systems."

Mr. Gould concluded by stating that "this agreement with Zilog is intended to give Commodore a substantial increase in semiconductor manufacturing capacity toward meeting its large scale integrated circuit needs, while reducing

- 2 -

the time and investment required if Commodore were to expand its own semiconductor manufacturing capacity."

"Notwithstanding this," Mr. Gould added, "our own semiconductor facilities capacity is in the process of being increased by 100% as part of a program to be completed over the next twelve months."

- 30 -

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